

OASIS Alert

Assessment: Here's How To Make The Most Of Your NRS Reimbursement

5 tips for saving on supplies costs.

Focusing on wound assessment can finally help align your wound care supplies costs to your reimbursement.

The **Centers for Medicare & Medicaid Services'** final Home Health Prospective Payment System Refinement and Rate Update for Calendar Year 2008 ("final rule") will take effect Jan. 1. One big change is in non-routine medical supplies (NRS) reimbursement (see related story, page 86).

The PPS final rule bases NRS reimbursement on answers to OASIS assessment items. The final rule assigns points to diagnosis codes and answers to selected M0 items. Once you complete your start of care OASIS assessment, add up the points to arrive at one of the six NRS severity levels. That level designates the supplies reimbursement amount.

Example: A patient with four early/partial granulation stasis ulcers (M0470 and 476) would garner 52 points. If the patient also has a urinary catheter, add 17 points for a total of 69 points, explains senior consultant **Judy Adams** with Charlotte, NC-based **LarsonAllen**. The additional points for the catheter move the patient from NRS Severity Level 4 to Severity Level 5, for additional reimbursement of \$112, she illustrates.

The final rule's six-group severity level plan replaces the five-group plan in the proposed rule. "We believe that adding a sixth severity group better recognizes episodes with higher NRS costs," CMS says in the final rule. Use the chart below to see how the new system works.

Heads Up Clinicians: Careful Assessment Pays

Accurate NRS severity rating helps compensate for changes in reimbursement under the 2008 PPS system, Adams says. Pressure ulcer and stasis ulcer M0 answers are worth less in the clinical domain under the new system compared to the current system, she notes. So getting the correct number of NRS points is especially important.

Example #1: Accurate staging of pressure ulcers counts. A patient with one Stage 3 pressure ulcer (M0450) scores 31 points, while one Stage 4 pressure ulcer scores 52 points.

If the patient has three or more Stage 3 pressure ulcers you get 57 NRS points. But three or more Stage 4 pressure ulcers adds 104 points. Even if the patient has no other NRS points, the difference between 57 and 104 points translates into \$230 of reimbursement, Adams says. (Assessment continued)

Example #2: Being able to determine the correct status of stasis ulcers can make a big difference. First, you get points for the number of stasis ulcers (M0470) and then add points for their status (M0476). In the final rule, a stasis ulcer that is "early/partial granulation" adds 18 points, while "not healing" adds 28 points, Adams illustrates.

Don't Camouflage True Supply Costs

The final rule's NRS reimbursement may still be less than agencies' costs, experts say. Until HHAs systematically report supply use on episode claims and supply costs in cost reports, CMS will continue to rely on incomplete data, Adams emphasizes.

You may not be able to convince CMS to increase NRS reimbursement in 2008, but you can work to control supply costs, says senior consultant **Debbie Dawson** with **HealthCare Strategies Inc.** in Chattanooga, TN. She provides these tips:

1. Do not let clinicians take out more than three days of supplies. This prevents "piles of supplies in the patient's home" because a treatment protocol has changed, Dawson explains.

2. Limit supplies you take to those actually needed. If you need 4x4s, gloves and tape for dressing changes, don't take tape every week just because it is on the list. A roll of tape may last for several weeks.

3. Don't use sterile when clean will do. Determine if sterile technique is actually necessary in the home treatment you are doing. If not, don't spend extra on sterile supplies.

4. Set up a system requiring an order to check out a supply. "The extra time this takes will more than be offset by the savings in supplies that no longer have to be written off for lack of an order," Dawson says.

5. Follow the manufacturer's recommendations. This is especially important for expensive supplies. Many clinicians try to "'save' or 'stretch' expensive dressings by skimping or cutting," Dawson reports. But this can undermine the dressing's effectiveness and lengthen healing time, she says.

